II. FINANCIAL SERVICE.

The receipts under this service comprise interest on arrears of land and other Revenue, on Loans, &c., and profit on investments in Government of India Pro-notes, interest realised on such investments and on the current and fixed deposits with Messrs. Arbuthnot & Co., and Madras Bank. The main source being the interest on Government of India Pro-notes, the income under this head must suffer diminution as long as the total of yearly transactions under all services continues to result in deficits. Six lakhs of rupees have had to be recently sold to meet the requirements of the current year.

III. COMMERCIAL AND INDUSTRIAL SERVICE.

The variations are small and do not call for any special remarks.

Summary.—The total income under all services falls short of that of 1079 by Rs. 3,58,818, mostly owing to the abolition of Viruthy Service Fund and partial remission of Land Tax, reduction in Salt duty and fall in Excise and Customs.

The budget of 1081 falls short of the actuals of 1080 by Rs. 1,74,845 for the reason that the fifty-thousand and odd rupees realized in 1080 under Viruthy service fund will not recur in 1081 and the duty on Salt will have to be realized at the lower rate throughout the year instead of only for 4½ months as in 1080.

EXPENDITURE.

GENERAL PUBLIC SERVICE.

A. Direct demand on Revenue.—Increases appear under all heads except Customs, Stamps and Registration.

Land Revenue.—The increase is made up as follows:—

Rs. 23,000 due to transfer of $\frac{1}{5}$th share of the Proverty Establishment also to Law and Justice in the accounts of 1079.

Rs. 25,000 under Revenue Settlement due to the entertainment of additional establishment for six months to push on with the work and to the preparation of settlement registers. For the preparation of these registers additional provision has been made in the Budget for 1081 and accounts mainly for the excess of Rs. 27,287 over the actuals of 1080.

Salt.—The increase of Rs. 28,000 over the actuals of 1079 is due entirely to the increase in the loss referred to in para 18 on sale of salt in bankshalls. As remarked in the same para the accounts of the transactions connected with the business or commercial portion of Salt administration were not hitherto kept separate from the fiscal portion and the selling prices adjusted rom time to time as they ought to be according to periodical increases of the market price of Salt, increases on account of cost of sea and inland transport, gunny bags, establishment and contingencies. The margin of 8 annas fixed 30 years ago to meet the above charges continued to be adopted unaltered with the inevitable result that this margin fixed when salt could be had for Rs. 35 for 100 maunds instead of Rs. 49 as at present and the general rates of wages were perhaps 25 to 30 per cent less than those now prevailing, is now found quite inadequate to make both ends meet. The existing system of sale of salt was therefore carefully reviewed and an improved one that will satisfy the interests of both the Government and of the consumers of salt has recently been

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